

Tom Dale -- Thank you for your presentations about Idaho's Transportation Funding Sources. We now have about a ½ hour for questions. We have four microphones and would like you to use them so everyone can hear.

Question 1: Steve mentioned that Idaho's federal funding is larger than what is collected. How is Idaho's apportionment figured?

Steve: The state apportionments are figured according to the federal transportation authorization using what is called a 'sliding scale.' Suffice it to say, Idaho is a state that qualifies for more funding per the TEA-21 regulations. This scale may be adjusted in the next federal transportation authorization, which is currently being deliberated by Congress; but whatever the amount, federal funds are distributed according to these mandated regulations.

Question 2: Please explain a little more about Advance Construction?

Steve: When a state foresees that funding may be delayed or if the state wants to use future federal funds, FHWA can allow the state to set up projects that are eligible for federal funds and the state can begin these projects with state funds. The intention is that the project qualifies for federal funding, so the state can commit to building the project within federal regulations and FHWA can allow payment for this project when and if federal funds are distributed to the state. FHWA is not obligated to pay for advance construction projects if federal funds are not apportioned to the state.

Tom Warne, would you discuss how Salt Lake used advance construction on I-15 prior to the Olympic Games? **Tom Warne:** Utah used quite a bit of advance construction for I-15 and is still receiving federal funds under this program. It is a very useful way to develop a corridor or complete a large project within a shorter amount of time.

Question 3: How does advanced construction differentiate from GARVEE bonding?

Steve: GARVEE bonding is completely different in that an organization (state) goes to a lender and borrows funds with all the requirements that the financial institution may require to secure its loan. The organization may choose to promise to pay back this loan (bond) with federal funds or any other funding source the state chooses to guarantee re-payment. FHWA is not obligated in any way to pay back the borrowed funds or any of the accompanying fees.

Question 4: How does a GARVEE bond qualify to use federal funds for payback?

Steve: Federal funds can be used to repay a GARVEE bond only on federal-aid eligible project costs. Bottom-line, FHWA will pay from concept to construction on highway projects that meet federal eligibility requirements.

Question 5: Are there examples of states using GARVEE bonding and the resulting issues?

Steve: Several states have used GARVEE bonding to construct large projects in shorter times, or to focus on specified types of construction that address transportation infrastructure needs (bridges, etc.).

Dave Ekern, Idaho Transportation Department Director: ITD has gathered and reviewed information about the GARVEE bonding process from many sources (states, AASHTO, etc.). Fourteen (14) states have authority to do GARVEE bonds. Our conclusion is that GARVEE bonding can be a useful tool for states to use, but there are many questions about how much bonding should be used and for what. Idaho's legislature will discuss this in depth

this session and only they have the authority to decide if GARVEE bonding is appropriate for Idaho.

Question 6: Fuel consumption has only increased 17%, while miles traveled has increased over 104%. How do you account for the small increase in gas consumption while travel has increased so dramatically?

Pam: Simply put, vehicles are more fuel efficient and our roadway systems have improved enough to allow people to live in Payette and commute to Boise to work. The cost and time are reasonable enough for Idahoans to choose this lifestyle.

Question 7: Given the current state funding distribution, how is this affecting the maintenance of our transportation system?

Pam: ITD has had a goal to reduce pavement deficiency from 35% to 15% and we have worked hard to attain that goal. We currently expend at little under 50% of our funds for transportation system maintenance and our commitment to maintenance continues to be our first priority. Where ITD is not keeping up is in the area of major capital improvements. Current annual funding is far below the amount that has been identified to keep our system at acceptable levels of service. Major capital improvement costs are so much higher that funding does not accumulate quickly enough to carry out these projects within reasonable time frames.

Byron: Local Jurisdictions are also shifting their funding to maintenance of the system rather than improvement. They are faced with mounting capital improvement costs and funding sources that simply can not amass enough money to pay for the projected improvements in a reasonable amount of time.

Question 8: The disparity of fuel tax totals compared to miles traveled seems unbelievable. But if taken on face value and with the discontinuance of the weight distance tax, has ITD suggested other methods to generate additional funds?

Pam: There are other areas for increasing state highway user taxes (i.e., registrations, driver's license), but ITD has not asked the legislature for changes in our fund source.

Question 9: If registrations were increased, what changes are required and how would this effect local funding?

Pam: I didn't bring those numbers with me, so I can't specifically address this question, but the *Report of Findings and Conclusions from the Idaho Transportation Resource Task Force* that was distributed at the first Forum meeting does estimate additional funding that can be generated.

Byron: Only one county, Ada County, currently uses the local option registration fees and those fees are kept in the county. However, a few counties are also considering doing so. Any increases in the current registration fees would require legislation and any state fees would be on top of the local option.

Question 10: Are the Locals now inspecting their roadways to determine safety needs and overall system adequacy?

Byron: I appreciate your question. The Locals have begun doing this type of inspection, but we are heading uphill. Approximately 2/3 of the road mileage is now in a computerized roadway database. Many were developed with local federal funds that we very much appreciate. We are a long way from analyzing this data or upgrading our roadways to meet minimum requirements. LHTAC is working on developing a local highway needs methodology using information from those local data systems and it will take about a year and a half to get that accomplished.

Question 11: How closely are the Local entities tied to the Planning and Zoning entities when new developments are discussed?

Byron: The short answer is yes we are tied to planning and zoning. We address this through transportation plans and authority that has been granted to those who develop these plans to identify needs. The discussions from the various transportation evaluations and plans has increased overall understanding of the transportation needs that will have to be put in place whenever development is considered. Through this process, we are also evaluating our current systems for efficiencies – closing some roads, assessing maintenance levels, etc.

Question 12: Gasohol is currently taxed at the federal level at \$0.13 per gallon. Is Congress planning changes for this tax?

Steve: Congress is currently reviewing many parts of the Transportation Authorization Act and how the funds are generated. This is a very complicated process and of course the House and Senate will have to negotiate many items. Gasohol taxation and exemptions is very much undecided at this point.